

Message Text

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PAGE 01 SAN JO 03631 100130Z
ACTION COME-00

INFO OCT-01 ARA-10 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01
CIAE-00 DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 SS-15
STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01
/098 W

-----061425 100136Z /64

P R 091909Z AUG 77
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC PRIORITY 8348
INFO USMISSION GENEVA

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E.O. 11652: N/A
TAGS: ETRD, CS, GATT
SUBJECT: NOTIFICATION OF SERVICES RESTRAINTS IN THE MTN

REF: STATE 180213

1. INDUSTRY SOURCES CONFIRM THAT GOCR LEVIES A TAX ON
RPWTV/RADIO COMMERCIALS PRODUCED OUTSIDE CACM. THE TJC IS
100 PERCENT OF THE COST OF THE COMMERCIAL WITH A MINIMUM

OF 10,000 COLONES (APPROXIMATELY \$1171) AND A MAXIMUM
OF 50,000 COLONES (\$5585). IN ADDITION, LOCAL VOICES
MUST BE USED WHICH REQUIRES "DUBBING" THE SOUND TRACK
AND AN ADDITIONAL TAX OF 1,000 COLONES (\$117) IS LEVIED
ON FOREIGN ORIGIN "ADYGLES". THE TAX AND REQUIREMENTS
TO USE LOCAL VOICES HAVE APPARENTLY BEEN IN EFFECT FOR
SEVERAL YEARS.

2. THE INTENT OF THE TAXES AND LOCAL VOICE REQUIREMENT
IS TO PROMOTE USE OF CACM AND LOCAL SOURCES FOR TV,
RADIO COMMERCIALS.

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3. THE MINIMUM TAX IMPACTS PRIMARILY ON LOCAL
COMPANIES WITH RELATIVELY MODEST ADVERTISING BUDGETS
WHICH FIND THAT A SUBSTANTIAL PART OF SUCH A BUDGET
WOULD BE USED UP IN IMPORTING THEIR RADIO/TV COMMERCIAL
FROM ABROAD, LEAVING LESS TO MEET COSTS OF LOCAL

DIFFUSION. SOME OF THE LARGEST MULTINATIONALS ARE APPARENTLY WILLING TO PAY MINIMUM TAX FOR RADIO/TV COMMERCIALS WHICH ARE DISTRIBUTED ON WORLDWIDE OR AREA BASIS. WE WOULD NOTE THAT SOME COMPANIES HAVE TAKEN ADVANTAGE OF VISITS BY MEXICAN TV PERSONALITIES TO COSTA RICA TO FILM RADIO/TV COMMERCIALS LOCALLY, THUS AVOIDING THE MINIMUM TAX.

4. THE IMPORTANCE OF THE MINIMUM TAX AS A TRADE RESTRAINT TO THE U.S. DEPENDS IN PART ON THE U.S. ABILITY TO PRODUCE RADIO/TV COMMERCIAL FILM WHICH IS COMPETITIVE WITH MEXICAN AND OTHER LATIN AMERICAN SOURCES. (THE REQUIREMENT FOR "LOCAL" VOICES RENDERS LANGUAGE IN WHICH COMMERCIAL MADE A MOOT POINT). IF THE U.S. IS PRICE-COMPETITIVE WITH MEXICO, WHICH WOULD BE A PRIME SOURCE FOR FOREIGN-MADE RADIO-TV COMERCIALS, IT WOULD BE TO U.S. ADVANTAGE WERE TAX REMOVED.

5. WE ARE NOT AWARE OF ANY OTHER SIGNIFICANT RESTRAINTS ON SERVICES.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING AGENDA, TRADE LAW, TARIFF NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SANJO03631
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770287-0072
Format: TEL
From: SAN JOSE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770881/aaaacqrt.tel
Line Count: 83
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1f79635f-c288-dd11-92da-001cc4696bcc
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 180213
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 12-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1662387
Secure: OPEN
Status: NATIVE
Subject: NOTIFICATION OF SERVICES RESTRAINTS IN THE MTN
TAGS: ETRD, CS, GATT, MTN
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/1f79635f-c288-dd11-92da-001cc4696bcc
Review Markings:
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